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SUBJECT: Pearl River Flotsam and Jetsam, September 5, 2007

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**¶11. (U) SUMMARY:** This is the second in a series of periodic cables that will feature snapshots of the Guangzhou consular district. Highlights of this installment include: official anger and apathy over food and product safety; an ambitious labor lawyer; an anniversary for China Southern Airlines; Party and government personnel changes; a crackdown on underground money shops; a vanishing debate about public funds; more cars for Guangzhou; and more toilets for Shenzhen. END SUMMARY

Guangzhou Vice Mayor Scolds Officials on Product Safety

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**¶12. (U)** New Guangzhou Vice Mayor Cao Jianliao harshly criticized some municipal districts for sending only low-level representatives to attend a city-sponsored conference on food safety and product quality, according to the Southern Metropolis Daily. The organizers of the August 20 conference, which was attended by the mayor and all vice mayors, had requested that leaders of municipal districts all attend, but many sent only staff members on their behalf.

**¶13. (U)** Cao said, "[The situation at the conference] shows that those districts' government leaders are not taking food safety issues seriously. If district leaders aren't serious about it, how can you ask leaders of streets and neighborhoods to care about it?" Cao also alluded to corruption at the local level being a problem, saying that without the protection of "relevant personnel" in the streets and neighborhoods, "[producers and sellers of fake goods] would have no place to hide."

Workers' Rights Lawyer Hopes to Publish his Case Files

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**¶14. (SBU)** Self-educated lawyer Zhou Litai told Congenoff that he had preliminary plans to organize and publish his archives, which document more than 7,000 lawsuits. Zhou said these files, which encompass cases from every part of China except Tibet, truly reflected the history of China's migrant workers. He envisions them serving as valuable primary source materials for individuals researching China's labor situation. However, limited financial resources could delay publication of the files.

**¶15. (SBU)** Zhou, whose license to practice law was revoked in 2002 (an incident cited in that year's Human Rights Report), said that most of his cases involved demanding compensation for workplace injuries, recovering unpaid wages, or compelling employers to pay for workers' pensions and medical insurance. The Zhou Litai Law Firm is headquartered in Chongqing with a branch office in Shenzhen, and will soon open an additional branch in the Wanzhou district of

Chongqing.

China Southern Toasts its Past

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¶6. (SBU) The China Southern commemoration of the tenth anniversary of the airline's first B777 trans-Pacific flight (with GE engines) was a lively affair, filled with reminiscences and -- of all things -- comments about how the airline would likely not be the ninth largest in the world today were it not for that historic event. The reminiscences were provided by the primary pilot of that first flight, current Minister of Civil Aviation Yang Yuanyuan, who interestingly enough kept using one of Deng Xiaoping's favorite expressions ("seek truth from facts") and went on to speak in glowing terms about the impact of "reform and opening" on aviation.

¶7. (SBU) In a separate discussion with the Consul General, Minister Yang affirmed again that the time had not yet come for open skies in passenger flight; the U.S. side, the Minister said without elaboration, understood the reasons why. The Minister also said that CAAC was continuing to work to expand the amount of airspace controlled by civil authorities, though he noted that his many friends in the military also had continuing reservations about ceding control.

Promotions and Transfers

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¶8. (SBU) Former Guangzhou Vice Mayor Wang Xiaoling was promoted this month to the position of Director-General of the Propaganda Department of the Guangzhou Communist Party. Ms. Wang, who was born in Shandong province in July 1955, joined the Communist Party in August 1978. She rose quickly through the ranks of the Guangzhou Administration of Industry and Commerce Development Zone Bureau

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(1990-1994) and the Free Trade Zone Bureau of Guangzhou Administration of Industry and Commerce (1994-1998). Following municipal-level Party assignments in 1998 and 2001, Wang was appointed one of Guangzhou's eight vice mayors in 2003. Wang's replacement as vice mayor is Cao Jianliao. (See paragraph 2, above.)

Eastern Union

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¶9. (U) According to media reports, Police in Shenzhen and the State Administration of Foreign Exchange (SAFE) Shenzhen branch conducted a joint operation in early August to expose a network of "underground money shops," which provide a channel for transferring large amounts of money while circumventing the international banking system and national tax bureaus. Police arrested six suspects on the spot and froze 55 bank accounts totaling RMB 4.2 million. The illegal foreign exchange trading network covered 31 provinces in China, with major clients in Guangdong, Jiangsu and Zhejiang provinces.

The Debate is Over -- Or Has at Least Disappeared

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¶10. (U) An internet posting which sparked spirited public debate over the appropriate use of public funds has been removed, the Consulate discovered August 7. All that is left of the debate, which examined whether the Guangdong Provincial Government should be paying for wealthy Cantonese entrepreneurs to attend the Central Party School, is an early August report by the government-controlled Nanfang Daily. The article stated that some "netizens" questioned the necessity and value of paying training costs for the young and elite entrepreneurs, many of whom are billionaires. Supporters of the program argued, however, that the government was wise to showcase the traditional innovation and independence of Cantonese businessmen to the politically conservative Party school, according to the Nanfang Daily. One wealthy anonymous entrepreneur cited by the paper said he was accustomed to being used by the government as an "ATM machine" for charity, disaster relief, or poverty abatement

programs, and he was surprised that he was not required to pay to attend the Central Party School.

Guangzhou: Too Many Cars! Shenzhen: Too Few Toilets!

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¶11. (U) A Honda Accord sedan became Guangzhou's 1 millionth licensed car on August 15, signifying that one in ten Guangzhou residents is now a car owner. With more than 600 automobiles licensed in the city every day, experts estimate that in 5 to 7 years Guangzhou will have two million cars on the road. Vice Mayor Gan Xin declared that Guangzhou would not restrict the issuance of car licenses, but offered no solutions to the problems of parking shortages, heavy pollution, or traffic jams.

¶12. (U) The same day, the City Management Bureau of Shenzhen announced that the city would build 375 new public toilets over the next three years, an increase of 25 percent over current numbers. Almost no new public toilets have been built in Shenzhen since ¶1995.

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